

Critical Access Hospitals

ISSUE: The Congress mandated that MedPAC “analyze the effect on total payments, growth in costs, capital spending, and such other payment effects” of a broad range of rural provisions in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). This broad rural report is due in December 2006. As an interim step, the Congress also mandated that “The Commission shall submit to Congress an interim report on the matters...with respect to changes to the Critical Access Hospital provision under section 405” of the MMA. This interim report on Critical Access Hospital (CAH) provisions in the MMA is due in June 2005.

KEY POINTS: We will provide a draft of our June chapter by presenting data on the current status of the CAH program. In particular we will examine: the growth in the program, benefits to converting hospitals, and the cost of the program. We will discuss the limited information we have on the quality of care at CAHs relative to other rural hospitals.

ACTION: The Commission will discuss these issues and provide its views on current CAH policies.

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